

2012 Newton County Property Tax Report with Comparison to 2011

Legislative Services Agency

September 2012



This report describes property tax changes in Newton County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Newton County the average tax bill for all taxpayers increased by 4.0%. This tax bill rise was the result of a 3.2% increase in the tax levy of all local government units and a 3.6% rise in certified net assessed value. The assessment increase was due to a large rise in farmland assessments. Total nonagricultural assessments fell, which may have been a legacy of the recession. Assessed value growth just exceeded levy growth, so tax rates fell by a small amount. Tax cap credits as a percentage of levies were almost unchanged.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	4.0%	\$15,845,206	\$782,169,960	2.4%
Change		3.2%	3.6%	0.0%
2011	2.1%	\$15,357,524	\$754,706,792	2.4%

Homestead Property Taxes

Homestead property taxes decreased 3.7% on average in Newton County in 2012. Tax rates fell in two-thirds of Newton County tax districts, and the county average tax rate decreased slightly, by 0.4%. The drop in homestead taxes was mostly the result of a 3.1% drop in homestead net assessed values. The percentage of homesteads at their tax caps decreased from 6.5% in 2011 to 5.9% in 2012. Newton County does not have local property tax credits.

Net Tax Bill Changes - All Property Types

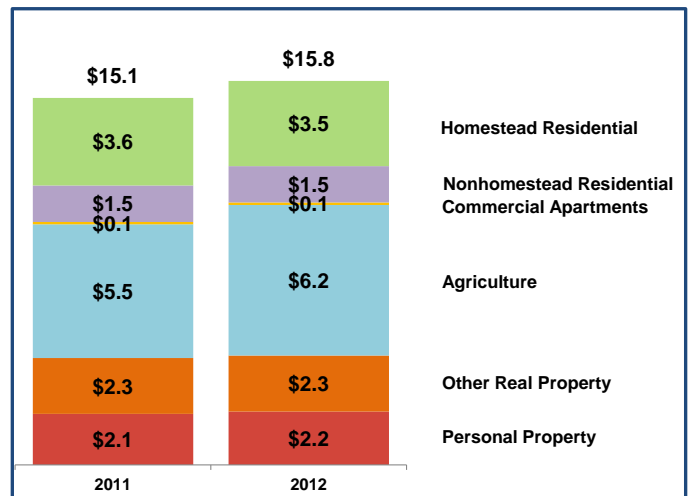
The largest share of Newton County's 2012 net property taxes were paid by agricultural property owners. Net tax bills for all taxpayers increased 4.0% in Newton County in 2012. Net taxes were higher for agricultural property, business buildings (other real) and business equipment (personal). Taxes were lower for homesteads, commercial apartments, and nonhomestead residential property (mostly small rentals and second homes).

Comparable Homestead Property Tax Changes in Newton County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	1,633	39.1%
No Change	189	4.5%
Lower Tax Bill	2,351	56.3%
Average Change in Tax Bill	-3.7%	
Detailed Change in Tax Bill		
20% or More	129	3.1%
10% to 19%	246	5.9%
1% to 9%	1,258	30.1%
0%	189	4.5%
-1% to -9%	1,373	32.9%
-10% to -19%	689	16.5%
-20% or More	289	6.9%
Total	4,173	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in two-thirds of Newton County tax districts. The average tax rate fell slightly, by 0.4%, because a levy increase was offset by a larger increase in net assessed value.

Levies in Newton County increased by 3.2%. The largest levy increase was in the county unit, mainly due to increases in the emergency ambulance/medical services – fire fund and the health fund. The South Newton School Corporation saw an increase in its debt service fund. No Newton County local units had significant decreases in levies.

Newton County's total net assessed value increased 4.8% in 2012. Agricultural net assessments rose 13.5%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments fell 0.6%, due to decreases in homestead and commercial apartment assessments. These declines may have been a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$468,395,403	\$458,121,400	-2.2%	\$186,165,607	\$180,404,108	-3.1%
Other Residential	75,115,200	73,922,600	-1.6%	73,625,226	72,460,330	-1.6%
Ag Business/Land	293,770,900	332,900,700	13.3%	292,080,860	331,467,150	13.5%
Business Real/Personal	239,667,877	247,823,446	3.4%	210,061,576	214,082,268	1.9%
Total	\$1,076,949,380	\$1,112,768,146	3.3%	\$761,933,269	\$798,413,856	4.8%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Newton County were \$375,108, or 2.4% of the levy. This was much less than the state average percentage of the levy of 9.2% and a little less than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits. Newton County's tax rates were less than the state average, but near the state median.

About three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the towns of Brook, Mt. Ayr, and Morocco, where district tax rates were near or above \$3 per \$100 assessed value. The largest dollar losses were in the county unit, South Newton School Corporation, North Newton School Corporation, and the town of Brook.

Tax Cap Credits by Category

Tax cap credits increased slightly in Newton County in 2012 by \$12,976, or 3.6%. The percentage of the levy lost to credits was nearly unchanged. There were no major changes in state policy to affect tax cap credits in 2012. County credits were nearly unchanged because the changes in Newton County tax rates were so small.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$66,182	\$60,383	-\$5,798	-8.8%
2%	260,829	284,467	23,638	9.1%
3%	14,614	14,257	-357	-2.4%
Elderly	20,508	16,001	-4,507	-22.0%
Total	\$362,132	\$375,108	\$12,976	3.6%
% of Levy	2.4%	2.4%		0.0%

Newton County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	20,934,753	12,995,535	15,150,257	15,357,524	15,845,206	-37.9%	16.6%	1.4%	3.2%
State Unit	18,889	0	0	0	0	-100.0%			
Newton County	6,000,421	4,846,003	4,927,018	5,212,760	5,401,666	-19.2%	1.7%	5.8%	3.6%
Beaver Township	142,745	148,771	150,820	155,147	162,419	4.2%	1.4%	2.9%	4.7%
Colfax Township	7,072	6,992	6,948	6,904	6,607	-1.1%	-0.6%	-0.6%	-4.3%
Grant Township	33,897	35,542	36,475	37,465	37,275	4.9%	2.6%	2.7%	-0.5%
Iroquois Township	35,375	36,888	37,614	38,737	39,991	4.3%	2.0%	3.0%	3.2%
Jackson Township	17,213	18,122	18,451	18,994	19,668	5.3%	1.8%	2.9%	3.5%
Jefferson Township	59,018	79,311	81,539	83,665	76,848	34.4%	2.8%	2.6%	-8.1%
Lake Township	173,820	177,839	180,840	186,220	185,965	2.3%	1.7%	3.0%	-0.1%
Lincoln Township	139,040	138,533	141,293	142,884	146,029	-0.4%	2.0%	1.1%	2.2%
McClellan Township	21,899	22,832	23,259	24,077	25,171	4.3%	1.9%	3.5%	4.5%
Washington Township	30,169	31,594	32,018	33,094	33,373	4.7%	1.3%	3.4%	0.8%
Brook Civil Town	205,075	217,253	221,338	230,259	238,046	5.9%	1.9%	4.0%	3.4%
Goodland Civil Town	233,995	245,447	247,004	197,485	200,848	4.9%	0.6%	-20.0%	1.7%
Kentland Civil Town	396,683	414,262	401,101	427,547	420,675	4.4%	-3.2%	6.6%	-1.6%
Morocco Civil Town	191,926	200,385	201,791	202,680	218,577	4.4%	0.7%	0.4%	7.8%
Mt. Ayr Civil Town	10,749	11,349	11,436	11,867	11,899	5.6%	0.8%	3.8%	0.3%
North Newton School Corp	6,737,471	2,998,555	4,460,413	4,370,886	4,367,419	-55.5%	48.8%	-2.0%	-0.1%
South Newton School Corp	5,276,457	2,049,095	2,802,979	2,713,965	2,859,661	-61.2%	36.8%	-3.2%	5.4%
Brook Public Library	190,778	198,401	200,170	209,348	218,591	4.0%	0.9%	4.6%	4.4%
Goodland Public Library	83,285	87,938	88,833	91,929	96,544	5.6%	1.0%	3.5%	5.0%
Kentland Public Library	130,029	212,286	208,241	212,472	233,791	63.3%	-1.9%	2.0%	10.0%
Newton County Public Library	798,747	818,137	670,676	749,139	844,143	2.4%	-18.0%	11.7%	12.7%
Northwest Indiana Solid Waste Mgmt Dist	0	0	0	0	0				

Newton County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	60,383	284,467	14,257	16,001	375,108	15,845,206	2.4%
<i>TIF Total</i>	0	0	0	0	0	5,065	0.0%
<i>County Total</i>	60,383	284,467	14,257	16,001	375,108	15,850,271	2.4%
Newton County	16,208	72,765	2,946	4,931	96,850	5,401,666	1.8%
Beaver Township	900	8,516	0	90	9,505	162,419	5.9%
Colfax Township	0	0	0	1	1	6,607	0.0%
Grant Township	7	476	0	13	496	37,275	1.3%
Iroquois Township	259	951	169	84	1,461	39,991	3.7%
Jackson Township	4	48	0	5	57	19,668	0.3%
Jefferson Township	80	459	0	32	571	76,848	0.7%
Lake Township	1,022	900	0	168	2,090	185,965	1.1%
Lincoln Township	336	0	0	221	558	146,029	0.4%
McClellan Township	0	0	0	0	0	25,171	0.0%
Washington Township	0	0	0	35	35	33,373	0.1%
Brook Civil Town	9,936	36,930	6,547	1,322	54,735	238,046	23.0%
Goodland Civil Town	162	10,845	0	294	11,301	200,848	5.6%
Kentland Civil Town	2,218	12,680	0	318	15,216	420,675	3.6%
Morocco Civil Town	3,310	23,117	0	572	27,000	218,577	12.4%
Mt. Ayr Civil Town	0	1,570	0	49	1,619	11,899	13.6%
North Newton School Corp	12,610	45,193	0	3,679	61,482	4,367,419	1.4%
South Newton School Corp	9,049	51,464	3,820	2,904	67,237	2,859,661	2.4%
Brook Public Library	1,185	4,373	775	395	6,727	218,591	3.1%
Goodland Public Library	27	1,842	0	50	1,919	96,544	2.0%
Kentland Public Library	631	3,607	0	128	4,366	233,791	1.9%
Lake Village Public Library	0	0	0	0	0	0	
Newton County Public Library	2,437	8,735	0	711	11,883	844,143	1.4%
Northwest Indiana Solid Waste Mgmt Dist	0	0	0	0	0	0	
TIF - Better Coil Economic Dev	0	0	0	0	0	5,065	0.0%

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Newton County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	60,383	284,467	14,257	16,001	375,108	15,845,206	2.4%
<i>TIF Total</i>	0	0	0	0	0	5,065	0.0%
<i>County Total</i>	60,383	284,467	14,257	16,001	375,108	15,850,271	2.4%
Newton County	16,208	72,765	2,946	4,931	96,850	5,401,666	1.8%
Beaver Township	900	8,516	0	90	9,505	162,419	5.9%
Colfax Township	0	0	0	1	1	6,607	0.0%
Grant Township	7	476	0	13	496	37,275	1.3%
Iroquois Township	259	951	169	84	1,461	39,991	3.7%
Jackson Township	4	48	0	5	57	19,668	0.3%
Jefferson Township	80	459	0	32	571	76,848	0.7%
Lake Township	1,022	900	0	168	2,090	185,965	1.1%
Lincoln Township	336	0	0	221	558	146,029	0.4%
McClellan Township	0	0	0	0	0	25,171	0.0%
Washington Township	0	0	0	35	35	33,373	0.1%
Brook Civil Town	9,936	36,930	6,547	1,322	54,735	238,046	23.0%
Goodland Civil Town	162	10,845	0	294	11,301	200,848	5.6%
Kentland Civil Town	2,218	12,680	0	318	15,216	420,675	3.6%
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North Newton School Corp	12,610	45,193	0	3,679	61,482	4,367,419	1.4%
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Brook Public Library	1,185	4,373	775	395	6,727	218,591	3.1%
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Kentland Public Library	631	3,607	0	128	4,366	233,791	1.9%
Lake Village Public Library	0	0	0	0	0	0	
Newton County Public Library	2,437	8,735	0	711	11,883	844,143	1.4%
Northwest Indiana Solid Waste Mgmt Dist	0	0	0	0	0	0	
TIF - Better Coil Economic Dev	0	0	0	0	0	5,065	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.